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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/648,522	08/26/2000	John Kihn	KIHNI40295	6444

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EXAMINER

SHERR, CRISTINA O

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 10/07/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/648,522

Applicant(s)

KIHN, JOHN

Examiner

Cristina O Sherr

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on ____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) ____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1 – 15 have been carefully examined in this Application.

Specification

2. The specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

4. Claims 1 and 2 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

5. Regarding claim 1 –

O'Shaughnessy discloses a financial system comprising (a) means for selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns by maintaining momentum during an existing first period of time of relatively long duration; (b) means for selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) means for

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establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) means for tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (Figure 1,2).

6. Regarding claim 2 –

O'Shaughnessy discloses the financial system of claim 1 wherein said first designated period of time is at least two years and said second designated period of time is at most two years (col 11 ln 45-61). Although O'Shaughnessy does not specify a 2-year term, neither does it set specific time limit.

7. Claims 3 and 4 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

8. Regarding claim 3 –

O'Shaughnessy discloses a financial process comprising the steps of (a) selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns by maintaining momentum during an existing first period of time of relatively long duration; (b) selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (col 12 ln 1-34).

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9. Regarding claim 4 –

O'Shaughnessy discloses the financial process of claim 3 wherein said first designated period of time is at least two years and said second designated period of time is at most two years (Col 12 ln 34-36). Although O'Shaughnessy does not specify a 2-year term, neither does it set specific time limit.

10. Claims 5 and 6 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

11. Regarding claim 5 –

O'Shaughnessy discloses a financial system comprising (a) means for selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) means for selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) means for establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) means for tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (Col 12 ln 37-67).

12. Regarding claim 6 –

O'Shaughnessy discloses the financial system of claim 5 wherein said first designated period of time is at least two years and said second designated period of time is at most

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two years (Col 13 ln 1-8). Although O'Shaughnessy does not specify a 2-year term, neither does it set specific time limit.

13. Claims 7 and 8 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

14. Regarding claim 7 –

O'Shaughnessy discloses a financial process comprising the steps of (a) selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns and/or asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (Col. 13 ln 55 – col 14 ln 6).

15. Regarding claim 8 –

O'Shaughnessy discloses the financial process of claim 7 wherein said first designated period of time is at least two years and said second designated period of time is at most two years (col 14 ln 4-8).

16. Claims 9 and 10 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

17. Regarding claim 9 –

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O'Shaughnessy discloses a financial system comprising (a) means for selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns and/or asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) means for selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) means for establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) means for tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (col 14 ln 12-20).

18. Regarding claim 10 –

O'Shaughnessy discloses the financial system of claim 9 wherein said first designated period of time is at least two years and said second designated period of time is at most two years (Col 14 ln 30 – 34).

19. Claims 11 and 12 are rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

20. Regarding claim 11 –

O'Shaughnessy discloses a financial process comprising the steps of (a) selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns and/or asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining

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momentum during an existing second period of time of relatively short duration; (c) establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (Table 16).

21. Regarding claim 12 –

O'Shaughnessy discloses the financial process of claim 11 wherein said first designated period of time is at least two years and said second designated period of time is at most two years (Table 16).

22. Claim 13 is rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

23. O'Shaughnessy discloses a financial system comprising (a) means for selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns and/or asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) means for selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) means for establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) means for tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (Col. 12 ln 38-68).

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24. Claim 14 is rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

25. O'Shaughnessy discloses a financial process comprising the steps of (a) selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns and/or asset flows by maintaining momentum during an existing first period of time of relatively long duration; (b) selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and (d) tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (col 14 ln 12-20).

26. Claim 15 is rejected under 35 U.S.C. 102(e) as being anticipated by O'Shaughnessy (US 5,978,778A).

27. O'Shaughnessy discloses a financial security produced by a financial process in accordance with the following steps: (a) selecting, from the universe of asset classes, a restricted number of asset classes that have demonstrated superior returns by maintaining momentum during an existing first period of time of relatively long duration; (b) selecting, from these asset classes, portfolios of assets that have demonstrated superior returns by maintaining momentum during an existing second period of time of relatively short duration; (c) establishing and optimizing a benchmark based upon these portfolios of assets to identify a moving portfolio having calculated momentum, and

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(d) tracking and periodically updating investment decisions to monitor and maintain the calculated momentum of the moving portfolio (col 14 ln 12-20).

28. Examiner's note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant.

Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may be applied as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

29. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

30. Rebane (US 6,078,904A) discloses a risk direct allocation and risk resolved CAPM for optimally allocating investment assets in an investment portfolio.

31. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Cristina O Sherr whose telephone number is 703-305-0625. The examiner can normally be reached on Monday through Friday 8:30 to 5:00.

32. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 703-305-9768. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

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33. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.



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